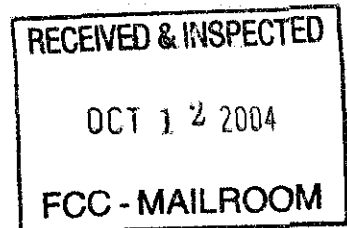




PUBLIC UTILITIES COMMISSION

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MICHAEL R. PEEVEY
PRESIDENT



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October 4, 2004

DOCKET FILE COPY ORIGINAL

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Subject: CC Docket No. 01-338 and WC Docket No. 04-313

Dear Ms. Dortch:

By this letter, I am transmitting to the FCC the following in the above-referenced docket:

- (1) "Staff Report On Investigation Concerning Competitive Local Carriers' Deployment of Facilities" prepared by staff of the California Public Utilities Commission assigned to the Triennial Review proceeding.
- (2) Administrative Law Judge's Proposed Decision on Hot Cut Processes and Pricing.
- (3) Comments by the CPUC on other issues raised in the above-referenced proceeding.

The Staff Report referenced in item (1) represents the views and conclusions of the staff members that prepared the report. The Staff Report has not been endorsed nor adopted by the Commission, nor does it necessarily reflect my views or opinions, nor those of any other Commissioner. Likewise, the publicly released ALJ's Proposed Decision on Hot Cut Processes and Pricing has not been adopted by our Commission.

Each of our Commissioners has received a draft of the Staff Report, but we have not attempted to proceed with a Commission Order with respect to it because of the decision by the *USTA II* court vacating the FCC's rules which delegated to the states the task of making ultimate findings on markets where there is no impairment.

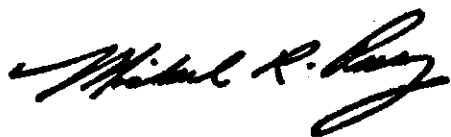
By submitting the Staff Report, the CPUC wishes to aid the FCC in its task of crafting new rules regarding unbundled network elements and batch hot cut processes, and understands the very expedited schedule that you face. Rather than delaying the submission of this report, I

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believe it more important to place our staff's work in the public domain as you consider rules in this critical issue area. Our supporting documentation for the Staff Report will follow shortly in CD-ROM format, under separate cover with appropriate filing waivers.

I pledge the full cooperation of the Commission staff to assist the FCC with the daunting task that you now face. Please feel free to contact Phil Enis at pje@cpuc.ca.gov ((415) 703-1633) if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael R. Peevey". The signature is fluid and cursive, with a large, stylized initial "M".

MICHAEL R. PEEVEY
President

C: CPUC Commissioners